

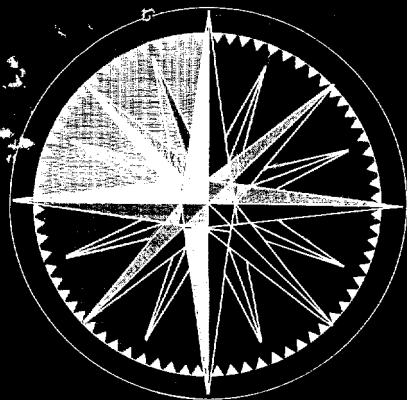
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# SPECIAL REPORT

ORGANIZED LABOR AND ITALIAN POLITICS

CENTRAL INTELLIGENCE AGENCY  
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## ORGANIZED LABOR AND ITALIAN POLITICS

Developments on the labor front in Italy this fall could strongly influence efforts to break the political stalemate which has left the country with an impotent caretaker government. The Communists, who dominate the largest labor group, the Italian General Confederation of Labor (CGIL), seem to be planning a campaign of agitation intended to discredit their former political allies, the Socialists, with whom they are still allied in the CGIL. The Communists would hope thereby to prevent the formation of a new center-left government with Socialist participation. If this tactic fails, the Communists may decide to continue their struggle by launching large-scale strike action aimed at hamstringing and toppling any center-left government which may be formed.

### Labor's Growing Strength

The importance and influence of organized labor in Italy is now at a postwar high. This is not due to any large or sudden growth in the numerical strength of union membership (which indeed has declined greatly since 1948, when all union elements were combined in a single confederation), but rather to a combination of political and economic developments which now provide labor with the opportunity to play an important role in both political and economic developments at the national level. The boom in the Italian economy has moved management reluctantly to grant many of labor's economic demands in order to prevent any disruptions which could slow economic activity. Labor has thus found a favorable climate to push for the amelioration of long-standing social inequities and regional disparities and for general wage increases.

The wage gains achieved since 1961, however, have contributed to the current inflationary strain on the economy. The prospect of demands from labor for another round of wage increases this winter is seriously disturbing to the government and the conservative political opposition.

Labor's influence has also been enhanced by the weakening of the old center coalition in Italian politics. With the anticipated government majority dependent on participation by the Socialist Party (PSI), both the CGIL and--to a much smaller extent--the free unions are in a position to affect the delicate and fragile balance of political forces at the national level.

Last year both the Communists and conservative political and economic interests welcomed situations in the labor field which embarrassed the center-left

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### THE MAJOR ITALIAN TRADE CONFEDERATIONS\*

|   | ITALIAN GENERAL<br>CONFEDERATION<br>OF LABOR (CGIL)   | ITALIAN CONFEDERATION OF<br>WORKERS SYNDICATES (CISL)  | ITALIAN UNION OF<br>LABOR (UIL)   |
|---|---|--|---|
| ESTIMATED MEMBERSHIP**                    | 2.25 - 2.5 million  | 1.5 - 1.75 million   | 400,000   |
| SECRETARY GENERAL                         | Agostino Novella (PCI)<br>Deputy Secy. Gen.<br>Fernando Santi (PSI)   | Bruno Storli (DC)  | Italo Viglianesi (PSDI)   |
| POLITICAL ORIENTATION<br>OF MEMBERSHIP    | Predominantly PCI;<br>20-30% PSI***   | Predominantly DC;<br>some PSDI and PRI   | Predominantly PSDI<br>and PRI   |
| TRADE UNIONISTS<br>IN PARLIAMENT          |   |  |   |
| Senate (out of 315 seats)                 | 24 { 19 PCI<br>2 right-wing PSI<br>3 left-wing PSI  | 4 { 3 DC<br>1 PRI  | 3 (all PSDI)  |
| Chamber of Deputies<br>(out of 630 seats) | 55 { 44 PCI<br>3 right-wing PSI<br>8 left-wing PSI  | 30 { 29 DC<br>1 PSDI   | 2 (both PSDI)   |
| CHARACTERISTICS                           | Well organized and well financed. Communist union leaders in firm control of policy, despite large PSI minority. Advocates that CGIL and Communist trade union International (WFTU) participate in Common Market (EEC) organs. Long-term goal is re-establishment, under CGIL domination, of trade union unity (i.e., return to the situation extant until late 1940s when all union elements --Catholic, Socialist, and Communist--were combined in the CGIL.) | Union hampered by popular identification with DC party and "clericalism"; although DC influence has lessened somewhat, it is still an important factor. CISL labor elements are from the left-wing faction of DC party, and there is recurrent dissension over incompatibility of simultaneous high union office and political office or membership in parliament. CISL supports center-left concept but is concerned that PSI participation in government will make it difficult for government to continue to discriminate against CGIL in several areas. CISL advocates united confederation including all union elements but Communists. | Party policies are an important factor of influence over the union despite efforts to reduce it. UIL's small size, limited finances, and leadership shortages hamper it in competing with the two larger confederations; UIL organization is practically nonexistent in some provinces. UIL attitudes toward the center-left formula generally parallel the CISL's. UIL advocates "socialist" confederation grouping the "democratically inclined" PSI elements now in the CGIL and the Social Democrats in the CISL together with the UIL. |

\* Two other confederations, the neo-Fascist-controlled Italian Confederation of National Syndicates of Workers (CISNAL) and the government-management union (CISAL), each have an estimated (Dec. 1960) membership of 70,000-80,000. In addition, some 300,000-400,000 artisans and government workers are affiliated with about 100-150 "autonomous" unions. The lay association of the Catholic Church--the Christian Associations of Italian Workers (ACLI)--is concerned with the political, social, and moral orientation of the workers.

\*\* The total Italian labor force is about 20 million; total present union membership of 5 to 6 million represents a decline of approximately 30% from the 1948 peak. The confederations themselves claim substantially larger memberships than the estimates given above: CGIL approx. 3.6 million (1961), CISL approx. 2 million (early 1962), and UIL approx. 1.5 million (early 1961).

\*\*\*Percentage of PSI members holding official positions throughout CGIL structure cannot be reliably estimated. In the important CGIL Milan local Chamber of Labor, only 40 out of 200 employees are Socialists, and Communists have the greater number of senior positions.

#### PARTY ABBREVIATIONS:

DC - Christian Democrat  
PSI - Socialist  
PCI - Communist  
PSDI - Social Democrat  
PRI - Republican

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government. Now, both are determined to prevent the reconstitution of such a government. For differing reasons both want to prevent a vigorous government program to rectify labor's grievances, the Communists because such a program would threaten to undermine their own appeal to the protest voter, and the entrepreneurs because they fear a reduction in their large share of the fruits of Italy's current prosperity.

### Left-Wing Labor Unions

The CGIL remains the dominant element in Italian labor. It is probably viewed by most Italian workers--even many of those who oppose Communist totalitarianism--as the most effective and determined champion of improvement in working-class conditions. The CGIL stresses its "respectable" and "democratic" character in order to blur ideological distinctions and to facilitate unity of action with the free unions. This also renders it more difficult for the government to refuse the CGIL equal treatment in such matters as union representation on international commissions and on government agencies. The CGIL, while it has not achieved this, has made considerable progress toward both objectives.

The CGIL has already taken the lead in calling for a fresh round of wage increases. PCI Secretary Togliatti has threatened in Parliament that workers "would take to the streets" if their wage demands are not sat-

isfied, and a top Communist official in the CGIL has promised strikes and agitation involving seven million workers. Despite these threats, CGIL-sponsored agitation thus far this year has not been either extensive or violent, to a large extent because the Communist Party has chosen to place special stress on its "respectability"--a policy it has followed since 1948--and the renewed legitimacy of its claim to share in state power as a result of obtaining a quarter of the national vote last April. The PCI is aware, moreover, that most of the CGIL membership is concerned with economic rather than political objectives and has therefore generally failed to support political strikes.

This dichotomy in PCI strategy--the projection of a democratic image versus the urgency of preventing the party's political isolation--is the principal factor which must be considered in any Communist decision to launch mass agitation against a prospective center-left government.

### Communist-Socialist Relations

Between 20 and 30 percent of the CGIL's members are Socialists, a circumstance which could give the PSI much trouble if it assumes a participating role in a new cabinet with the Christian Democrats this winter. As a "workers' party" in the government, the PSI would be

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subject to embarrassment by tactics of the Communist-led CGIL. It would be hard to avoid going along with economically based strike action aimed at upsetting the government, lest it suffer attack from its own members for failing to support the legitimate economic demands of the workers.

Majority leaders in the PSI are opposed to a "premature" Socialist withdrawal from the CGIL primarily because such a move would cause further divisions in the labor movement. They reason also that in addition to strengthening management's position, a split would work out to the advantage of the Communists, since the PSI would be unable to pull out more than a small fraction of its members in the CGIL, which would then be under complete Communist control.

Despite the strenuous objections of conservatives and free trade union leaders, the Christian Democratic Party has not made PSI withdrawal from the CGIL a precondition for agreeing to take office with the Socialists. The policy of the PSI majority continues to be to try to build the PSI's membership and influence in the CGIL in order to cut down the influence of the Communist Party and direct union policy toward exclusively democratic labor goals.

Non-Communist Union Positions

The leaders of the major non-Communist unions--the Italian Confederation of Workers Syndi-

cates (CISL) and the Italian Union of Labor (UIL)--are, in contrast to 1962 when unity action was widespread, trying to retreat from cooperation with the CGIL, and are emphasizing the desirability of cooperating more closely with each other. This is a reaction to the increased aggressiveness of the Communists following their electoral gains in April, and the free unions fear that they could lose both members and prestige to the CGIL as the Communist union secures additional gains for workers as a result of successful strikes. It probably is also a result of the pressure from the political parties with which they are associated--the CISL with the Christian Democrats and the UIL with the Social Democrats and Republicans. The free union leaders have been further alarmed by some recent instances of large CGIL gains in shop steward elections, a development which apparently has also impressed the FIAT complex, Italy's largest private employer, which recently postponed similar annual elections.

The free unions are under pressure from their membership to take advantage of labor's improved bargaining position. They are also suspicious of the motives of conservatives and management for stressing the need for wage restraints at this time. On the other hand, the free unions are concerned about economic stability and, unlike the CGIL, are constrained to follow a responsible course of

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action. While they have attempted to induce moderation in wage demands, and have usually resisted unity of action with the CGIL this year, they are opposed to any "wage pause" proposals. They charge the CGIL with demanding solutions to problems which were already on the way to being solved by the application of center-left policies, and have urged collective bargaining to alleviate genuine grievances.

In a conference last May, free union leaders discussed ways of coordinating their efforts and aims. Although public statements issuing from the meetings were optimistic, it seems unlikely that meaningful cooperation regarding such matters as common strike funds and union rights in plants can be achieved in view of the formidable obstacles separating the unions.

Since their formation in 1950, the question of a CISL-UIL merger has frequently been debated. The UIL has always been unwilling to merge with the CISL because of the conflict between their Catholic and Socialist-oriented ideologies and because the UIL fears that it would completely lose its identity within the CISL. Moreover, some officials in both unions are reluctant to give up their positions, salaries, and perquisites which a merger would render forfeit.

Outlook

The inflationary trend of the past year will probably not be arrested in the near future for several reasons: Italian labor will not be deterred from pressing for wage increases; the stopgap Leone government is unlikely to adopt any major policies aimed at limiting wage increases; and management, as it often reluctantly did last year, may prefer to accede to wage increases--offsetting them with price rises--rather than face costly extended strikes.

The Communist Party, through the CGIL, will hope to take advantage of labor unrest to achieve political ends. In line with this aim, CGIL can be expected to sponsor strikes and agitation this fall and winter on clear-cut economic issues of popular concern, realizing that it will probably be impossible for the free unions to avoid collaborating with the CGIL in such circumstances. The PCI's hope, of course, would be to exacerbate Socialist relations with the other parties and either prevent the formation of, or topple, a Socialist-supported government. A solution to the problem of Socialist membership in the Communist-dominated union is not likely to be reached easily or soon. (CONFIDENTIAL NO FOREIGN DISSEM)

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